

U.S.-FLAG FAR EAST DISCUSSION AGREEMENT

FMC AGREEMENT NO. 10050-4

(Showing additions to and deletions from
FMC Agreement No. 10050-3)

RECEIVED

10050-4
ORIGINAL

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WHEREAS, all of the parties hereto are U.S.-flag vessel
operating common carriers by water ~~operating U.S. flag vessels~~
~~in the United States Far East liner trades~~ engaged in transpor-
tation of general cargo between ports and points in the United
States (including its commonwealths, territories and posses-
sions) and ports and points in foreign countries included
within Essential U.S. Oceanborne Foreign Trade Route Nos. 12,
17, 22 and 29 (the "Trade"); and

WHEREAS, ~~rapidly evolving changes in the economic, poli-~~
~~tical and technological environment~~ conditions in said liner
~~trades the Trade~~ make it necessary that representatives of the
parties confer from time to time and exchange views on common
problems and, where possible, ~~to agree on a~~ upon and present
U.S.-flag positions to deal with such problems in order to
assure that adequate U.S.-flag liner services will be avail-
able to merchants shipping cargoes in ~~said United States foreign~~
~~commerce~~ the Trade at fair and reasonable rates, terms and
conditions enabling ~~U.S. flag liner operators~~ the parties to
maintain and improve the quality and competitiveness of their
U.S.-flag vessels and services; and

WHEREAS, the parties hereto are members of various agree-
ments approved by the Federal Maritime Commission pursuant to
~~Section 15 of~~ the Shipping Act, 1916, as amended, relating to

the ~~United States Far East liner trades~~ Trade;

NOW, THEREFORE, in consideration of the premises, it is hereby mutually agreed as follows:

FIRST: The dates and locations of meetings pursuant hereto shall be at the call of the Chairman, who shall be selected or designated as the parties may from time to time decide. ~~At meetings~~ The parties ~~may~~ shall discuss, consider, exchange data and, ~~if~~ where possible, agree upon ~~a~~ and present U.S.-flag positions pertaining to the following matters of mutual interest:

1. Cargo movements, ~~the~~ seasonality and other fluctuations of traffic flows and related data bearing on the level and frequency of liner services, particularly U.S.-flag liner services, required by the shipping public.

2. Practices in connection with the receipt, carriage and delivery of cargo; and the operation by the parties of vessels, equipment and facilities in the ~~United States and the Far East~~ Trade.

3. Performance of joint surveys of Trade conditions and needs, present and future, including the collection and exchange of operating cost data.

4. Effectiveness and responsiveness of self-policing systems and related costs and contracts.

5. Fuel and energy requirements; environmental controls; economic, political and fiscal policies; liner pools; port development; and ~~other~~ international and governmental programs affecting U.S.-flag liner services in the ~~trades~~ Trade.

6. Cost of service relating to cargo moving in the ~~modes of service offered in the trades, including~~ Trade and rates, surcharges, conditions of carriage, rules and tariffs therefor.

7. Practices, ~~and~~ rate structures and policies relating to the interchange of traffic with ~~and~~ other carriers (inter-modalism).

8. Any ~~other~~ matter within the scope of approved FMC agreements relating to the ~~United States Far East trades~~ Trade, provided that any party hereto who is not a party to any such other agreement discussed, shall not be privy to ~~any confidential~~ information or data that are confidential pursuant relative to such other agreements.

SECOND:*/ The parties agree that they will exchange such information and data relevant to the purposes of this Agreement as may be appropriate from time to time. Nothing herein shall be construed as obligating any party to exchange such information or data, or as limiting the right of any party to continue or to make changes in its present rates, rules and practices. Among the purposes of the Agreement is that the parties shall agree upon common positions and present these to conferences, rate agreements and other approved FMC arrangements, agree upon positions for joint presentation to and negotiation with United States and foreign governments, departments, agencies and governmental entities and investigate economic and competitive conditions in the Trade. Further, the parties may agree upon

*/ Previously ARTICLE THIRD.

coordination of vessel sailings, joint services, pooling and other forms of rationalization of their U.S.-flag common carrier operations, and uniform or agreed rules, practices and procedures relating thereto; provided, however, that nothing in this Agreement authorizes the parties to carry out any substantive agreement that may be reached except upon prior filing with and approval by the Federal Maritime Commission as may be required.

THIRD:*/

1. ~~At any meeting,~~ The parties may establish such standing or ad hoc committees as they may deem desirable for the furtherance of the purposes of this Agreement. Unless otherwise authorized, no committee shall have power to take any action under this Agreement, but shall only report and/or recommend to the parties. Committees may meet at such times and places as they deem necessary and convenient for the performance of their duties.

2. The portion of minutes of meetings held pursuant to this Agreement including meetings of all committees, subcommittees or working groups dealing with rates, surcharges, and conditions of carriage, whether or not final action was taken thereon, shall be filed with the Federal Maritime Commission within 30 days after each such meeting.

3. Absent objection from any party, discussions hereunder and exchanges of information may be accomplished by mail, telephone, telex, telecopier and other communications systems.

*/ Previously ARTICLE SECOND.

Copies of any such communication (including a written account of any exchange by telephone or other oral system) which concern rates, surcharges or conditions of carriage shall be ~~simultaneously~~ forwarded to the Federal Maritime Commission within 30 days after such communication. ~~including written accounts of any exchange by telephone, or any other oral system.~~

FOURTH:^{*/} Any carrier by water that regularly operatinges a U.S.-flag liner vessel in ~~commercial~~ common carrier service between ports in the Far East and ports in the United States may become a party to this Agreement. Any party which ceases to operate such U.S.-flag liner service in the Trades for a period of six consecutive months shall forthwith cease to be a party hereto.

~~FOURTH~~ FIFTH: Each party shall bear the expenses of its representatives in connection with attendance at meetings of the parties; and all other expenses of such meetings and of the approval, carrying out, and amendment of this Agreement, including legal fees, ~~meetings~~ and costs of consultants or other services ~~other activities~~ shall be borne in equal shares by all of apportioned as the parties hereto from time to time decide.

~~FIFTH~~ SIXTH: This Agreement is to become effective upon approval by the Federal Maritime Commission pursuant to ~~Section 15,~~ the Shipping Act, 1916, as amended. ~~This Agreement shall expire on December 19, 1982.~~

*/ Previously part of ARTICLE THIRD.

~~SIXTH~~ SEVENTH: The parties do not intend to discuss ~~matters related to the~~ rates, rules or conditions of carriage ~~of relating to~~ Department of Defense cargo shipped by the Military Sealift Command and such matters are specifically excluded from the scope of this Agreement.

~~SEVENTH~~ EIGHTH: This document constitutes the entire agreement of the parties and will not be amended or modified without the unanimous consent of the parties. This Agreement may be executed in counterparts, each of which will constitute an original hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized as of June 14, 1982.

AMERICAN PRESIDENT LINES, LTD.

By: 
Title: Vice President, Pricing &
Conference Affairs

LYKES BROS. STEAMSHIP COMPANY, INC.

By: _____
Title: _____

SEA-LAND SERVICE, INC.

By: _____
Title: _____

UNITED STATES LINES, INC.

By: _____
Title: _____

WATERMAN STEAMSHIP CORPORATION

By: _____
Title: _____

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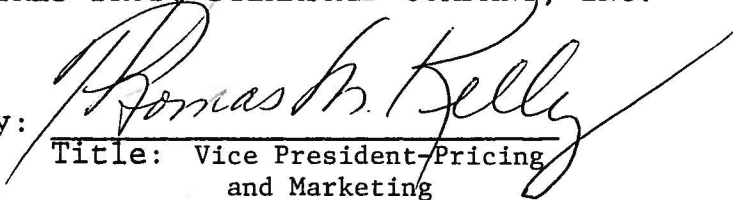
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AMERICAN PRESIDENT LINES, LTD.

By: _____
Title: _____

LYKES BROS. STEAMSHIP COMPANY, INC.

By: 
Title: Vice President-Pricing
and Marketing

SEA-LAND SERVICE, INC.

By: _____
Title: _____

UNITED STATES LINES, INC.

By: _____
Title: _____

WATERMAN STEAMSHIP CORPORATION

By: _____
Title: _____

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AMERICAN PRESIDENT LINES, LTD.

By: _____
Title: _____

LYKES BROS. STEAMSHIP COMPANY, INC.

By: _____
Title: _____

SEA-LAND SERVICE, INC.

By:  _____
Title: _____
Executive Vice President,
Pacific Division

UNITED STATES LINES, INC.

By: _____
Title: _____

WATERMAN STEAMSHIP CORPORATION

By: _____
Title: _____

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AMERICAN PRESIDENT LINES, LTD.

By: _____
Title: _____

LYKES BROS. STEAMSHIP COMPANY, INC.

By: _____
Title: _____

SEA-LAND SERVICE, INC.

By: _____
Title: _____

UNITED STATES LINES, INC.

By: Harlan C. Brundage
Title: Vice President

WATERMAN STEAMSHIP CORPORATION

By: _____
Title: _____

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AMERICAN PRESIDENT LINES, LTD.

By: _____
Title: _____

LYKES BROS. STEAMSHIP COMPANY, INC.

By: _____
Title: _____

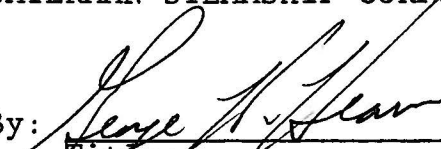

SEA-LAND SERVICE, INC.

By: _____
Title: _____

UNITED STATES LINES, INC.

By: _____
Title: _____

WATERMAN STEAMSHIP CORPORATION

By: 
Title: 
Senior Vice President